

**BISHOP INTERNATIONAL
AIRPORT AUTHORITY**

Flint, Michigan

**Annual Financial Statements
and Auditors' Report**

December 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name BISHOP INTERNATIONAL AIRPORT AUTHORITY	County GENESEE
Audit Date 12/31/2004	Opinion Date 01/27/2005	Date Accountant Report Submitted to State: 02/22/2005	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable boxes for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL: 129/91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reports on individual federal financial assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Certified Public Accountant (Firm Name)
YEO & YEO, PC CPAs

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4468 OAK BRIDGE DRIVE

City
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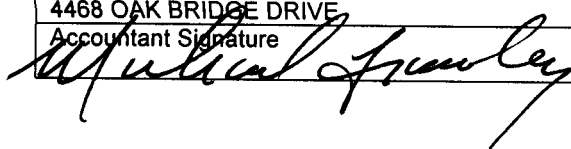
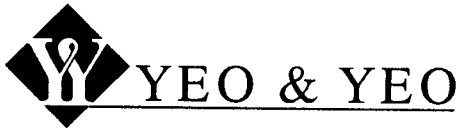
Accountant Signature


Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	2 - 8
Balance Sheets	9
Statements of Revenues, Expenses and Changes in Net Assets	10
Statements of Cash Flows	11
Notes to Financial Statements	12 - 21
Additional Information	
Independent Auditors' Report on Additional Information	22
Summary of Historical Financial Operations	23
Taxable Value	24
Maximum Property Tax Rate	24
Authority Debt	25
Recast Historical Pro-Forma Debt Service Coverage	26
Airlines Providing Service to the Airport	27 - 28



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Independent Auditors' Report

Board of Directors
Bishop International Airport Authority

We have audited the accompanying financial statements of the business-type activities of Bishop International Airport Authority as of December 31, 2004 and 2003, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities position of Bishop International Airport Authority at December 31, 2004 and 2003 and the respective changes in financial position and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2005 on our consideration of Bishop International Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis identified in the table of contents is not a required part of the basic financial statements but is supplemental information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Yeo & Yeo, P.C.

Flint, Michigan
January 27, 2005

MANAGEMENT DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis (MD&A) of the Bishop International Airport activities and financial performance provides an introduction to the financial statements of the Bishop International Airport Authority (the Authority) for the fiscal year ended December 31, 2004. The information contained in this MD&A should be considered in conjunction with the information contained in the Annual Financial Statements and Auditor's Report and the accompanying additional information.

Following this MD&A are the financial Statements of the Authority together with the notes thereto which are essential to a full understanding of the data contained in the financial statements. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* regarding capital assets and accumulated depreciation, debt service requirements to maturity and a schedule of governmental payments and services.

AIRPORT ACTIVITIES HIGHLIGHTS

Bishop International Airport passenger traffic continued to increase significantly. Passenger enplanements finished the year **up 24.69%** over last year. According to the Air Transport Association on a national level citing mainline passenger traffic, enplanements increased 5.7% for the year. In early November the airport reached, for the first time in our history, the 1 million annual passenger mark.

In August, in response to seasonal demands, Airtran Airways reintroduced its Saturday only non-stop jet service to Ft. Lauderdale and their fifth Atlanta flight and added daily non-stop service to Tampa. In December Northwest Airlines added daily non-stop service to Ft. Lauderdale. At year end, the airport was served by six (6) scheduled air carriers and occasional charter service.

	2003	2004	Percentage Change
Total Passengers	952,309	1,190,855	25.05%

Air Cargo and Freight increased 4.99% for the year.

	2003	2004	Percentage Change
Total Cargo & Freight (lbs)	30,839,848	32,380,287	4.99%

Aircraft Operations ended the year down 2.67%. This decrease was primarily in general aviation traffic.

	2003	2004	Percentage Change
Total Operations	126,621	123,234	-2.67%

FINANCIAL HIGHLIGHTS

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$108,572,374 (net assets). Of this amount, \$10,224,103 (unrestricted net assets) may be used to meet the airport's ongoing obligations to its creditors. Net Assets increased by \$7.5 million or 7.4% for the year with \$0.9 million of that being unrestricted.

A condensed summary of the Authority's net assets at December 31 is shown as follows:

	<u>2004</u>	<u>2003</u>
ASSETS		
Current and other assets	\$ 19,894,113	\$ 24,091,363
Capital assets	<u>128,278,157</u>	<u>117,021,730</u>
Total assets	<u>148,172,270</u>	<u>141,113,093</u>
LIABILITIES		
Long-term debt outstanding	31,887,837	32,913,764
Other liabilities	<u>7,712,059</u>	<u>7,124,995</u>
Total liabilities	<u>39,599,896</u>	<u>40,038,759</u>
NET ASSETS		
Invested in capital assets, net of related debt	96,202,091	89,627,239
Restricted	2,146,180	2,115,121
Unrestricted	<u>10,224,103</u>	<u>9,331,974</u>
TOTAL NET ASSETS	<u>\$ 108,572,374</u>	<u>\$ 101,074,334</u>

The largest portion of the Authority's net assets each year (88.6% at December 31, 2004) represents its investment in capital assets (e.g., land, building, improvements and equipment) less any related outstanding debt used to acquire those capital assets. The Authority uses these capital assets to provide services to the many passengers and the "meeters and greeters" who visit the Airport; consequently, these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it is noted that the resources required to repay this debt must be provided annually from its operations, since the capital assets themselves cannot be used to liquidate liabilities.

FINANCIAL OPERATIONS HIGHLIGHTS

Operating Revenues increased by \$1.0 million or 9.4%. The 25.05% increase in passenger traffic resulted in higher overall operating revenues.

	2003	2004	Percentage Change
Total Passengers	952,309	1,190,855	25.05%

Operating Expenses increased by \$.54 million or 9.0%. The largest single percentage increase was in utilities costs which were up 18.1%.

As a result of the above, operating income before depreciation increased \$0.5 million dollars or 9.9%. Operating income before non-operating revenue and expenses increased by .4 million or 14.6%.

Non-Operating Revenue/(Expense) increased from \$1.1 million in 2003 to \$1.5 million in 2004 primarily due to increased enplanements.

Income before capital contributions increased \$.76 million from 2003 numbers.

Contributions received in the form of grants from the Federal and State governments decreased from 3.7 million in 2003 to 2.9 million in 2004.

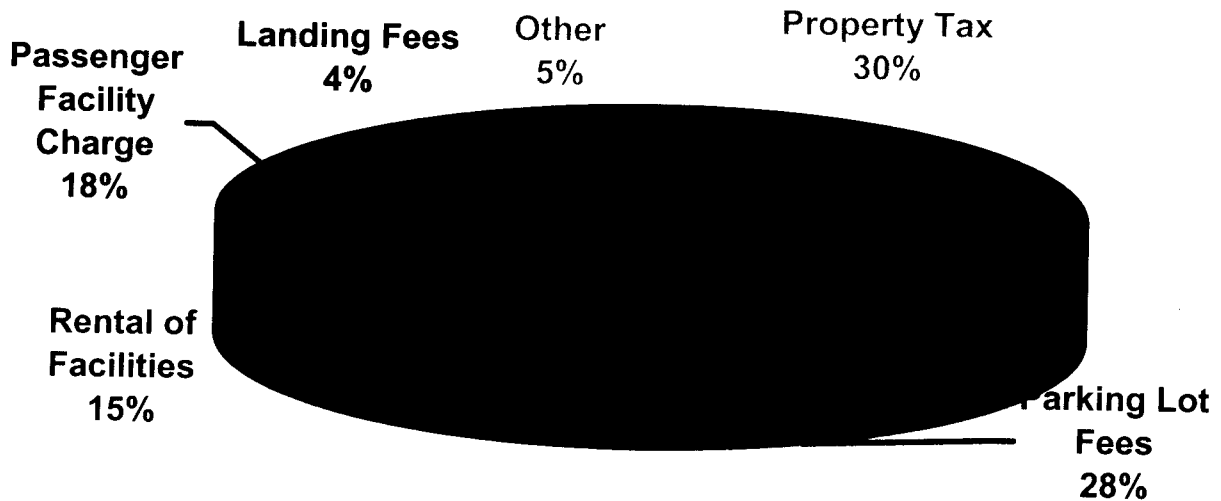
The increase in net assets for 2004 was \$7.5 million compared to \$7.6 million in 2003.

SUMMARY OF CHANGES IN NET ASSETS

	2004	2003
Operating revenues	\$ 11,724,912	\$ 10,714,964
Operating expenses	6,487,492	5,949,501
Operating income before depreciation and non-operating revenues and expenses	5,237,420	4,765,463
Depreciation	2,073,250	2,003,505
Operating income before non-operating revenues and expenses	3,164,170	2,761,958
Other non-operating revenues and expenses, net	1,454,761	1,094,057
Income before capital contributions	4,618,931	3,856,015
Capital contributions	2,879,109	3,714,026
Increase in net assets	\$ 7,498,040	\$ 7,570,041

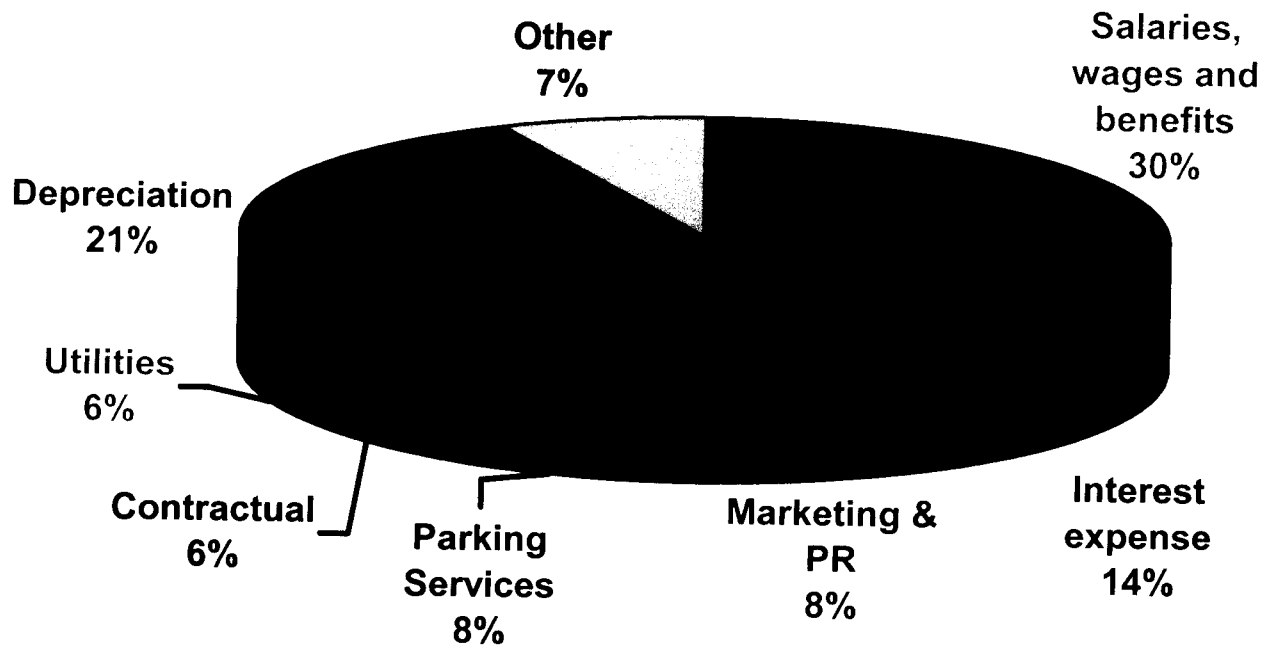
REVENUES

The following chart shows the major sources and the percentage of total operating and non-operating revenues from all sources for the year ended December 31, 2004.



EXPENSES

The following chart shows the major expense categories for the year ended December 31, 2004.

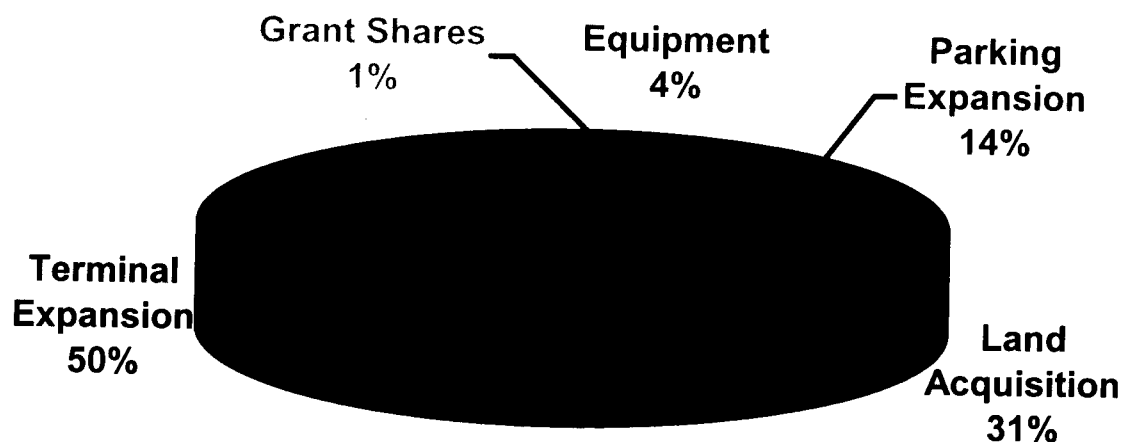


FINANCIAL STATEMENTS

The Authority's financial statements are prepared on an accrual basis in accordance with generally accepted accounting principals promulgated by the GASB. The Authority is structured as a single enterprise fund with revenues recorded when earned and expenses recorded as incurred. Capital Assets are capitalized and (except land and land improvements) are depreciated over their useful lives. See notes to the financial statements for a summary of the Authority's significant accounting policies.

CAPITAL ACQUISITION AND CONSTRUCTION ACTIVITIES

During 2004, the Authority expended \$10.2 million on capital activities.



During 2004, projects closed from construction in progress to the respective capital accounts included locally funded land acquisition as well as two projects which were funded jointly by the Federal Aviation Administration the State of Michigan and the Authority. The close outs were added to capital accounts as follows:

Land	\$2.8 million
Land Improvement	9.9 million
Buildings	.6 million
Vehicles and Equipment	.1 million

Capital asset acquisitions are capitalized at cost. Acquisitions are funded using a variety of financing techniques, including Federal Grants, with matching State Grants and airport funds, debt issuance and Airport revenues.

LONG-TERM DEBT ADMINISTRATION

In 1988 the Authority took financial responsibility of the Airport from the City of Flint under the terms of a 99 lease year lease with a 99 year option. During 1990, the City and the Authority finalized negotiations as to the assets to be transferred under the lease agreement and the liabilities to be assumed by the Authority. In a memorandum of understanding the Authority agreed to pay the City of Flint \$1,336,000 due in the year 2012. Zero coupon bonds which mature in 2012 have been purchased and are being held by the Authority to retire this debt in 2012.

In 1999, the Authority issued three different bond series with two issues outstanding as of December 31, 2004 as follows:

Issue	Original Amount of Issue	Outstanding Balance at December 31, 2004
Series 1999-A Limited Tax General Obligation Refunding Bonds	\$ 10,555,000	\$ 10,555,000
Series 1999-B Airport Revenue Bonds	14,500,000	13,130,000

In 2003, the Authority issued additional debt as follows:

Issue	Original Amount of Issue	Outstanding Balance at December 31, 2004
Series 2003-A Airport Revenue Bonds	\$ 9,150,000	\$ 8,920,000

In addition, the Authority was charged back \$48,435 in 1995 for a property tax settlement with General Motors (GM) regarding values of several GM facilities in Genesee County. The settlement was to be paid over a nine year period with one year and a balance remaining on December 31, 2004 of \$5,382.

Additional detail can be found in Note 6 of the accompanied notes to the Financial Statements.

CREDIT RATING AND BOND ISSUANCE

During the 2003 calendar year in conjunction with the issuance of the Airport Revenue Bonds, Series 2003-A, the Authority sought and obtained underlying municipal bond ratings from Moody's: "A3" and Standard and Poor's "BBB+".

The 2003-A Series Bond is insured and carries the following ratings:

Issue	Insurance	Agency	Insured Rating
Airport Revenue Bonds Series 2003-A	Radian Asset Assurance	Moody's	A3
		Standard and Poor's	AA

The two 1999 Series Bonds are insured and carry ratings with insurance as follows:

Issue	Insurance	Agency	Insured Rating
Series 1999-A	Ambac	Moody's	Aaa
		Standard and Poor's	AAA
Series 1999-B	ACA	Fitch IBCA	A
		Standard & Poor's	A

PASSENGER FACILITY CHARGE (PFC)

The Authority initially received approval to impose and use a PFC of \$3.00 per enplaned passenger beginning October 1993 in an amount not to exceed \$32,296,450 for six projects associated with the construction of our new terminal. Effective October 1, 2001 the Authority received approval to amend the amount to \$31,865,870 and increase collections to \$4.50 per enplaned passenger. Through December 31, 2004, the Authority has collected PFCs totaling \$11,857,239. For further details, see the schedule of Passenger Facility Charges Collected and Expended for the year ended December 31, 2004.

ACKNOWLEDGMENTS

I wish to thank the members of the Authority Board for their continued interest and support, James L. Rice II A.A.E. Airport Director, the finance and administrative staff, as well as the rest of the Authority employees. The individual dedication of each of the Authority's employees and Board members combines to create the team which is responsible for the Authority's financial success.

Respectfully submitted,

Linda M. Brant, A.A.E.
Deputy Airport Director - Finance and Administration
Chief Financial Officer

Bishop International Airport Authority
Balance Sheets
December 31, 2004 and 2003

	December 31,	
	2004	2003
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 8,968,817	\$ 7,762,247
Investments	896,141	1,439,077
Property taxes receivable	4,520,853	4,432,709
Due from other governmental units	101,683	112,797
Accounts receivable	592,638	554,586
Prepaid expense	187,315	126,836
	<u>15,267,447</u>	<u>14,428,252</u>
Restricted assets		
Cash and cash equivalents	3,616,334	7,215
Investments	958,068	9,525,575
	<u>4,574,402</u>	<u>9,532,790</u>
Property and equipment		
Land	19,706,080	16,883,864
Land improvements	65,053,413	55,130,226
Buildings	41,098,326	40,548,326
Equipment	5,054,775	5,034,511
Construction in progress	14,723,931	15,046,765
	<u>145,636,525</u>	<u>132,643,692</u>
Less accumulated depreciation	<u>(17,358,368)</u>	<u>(15,621,962)</u>
	<u>128,278,157</u>	<u>117,021,730</u>
Other assets - deposits	52,264	130,321
	<u>\$ 148,172,270</u>	<u>\$ 141,113,093</u>
Total assets		
	<u>\$ 148,172,270</u>	<u>\$ 141,113,093</u>
<u>Liabilities</u>		
Current liabilities		
Accounts and contracts payable	\$ 439,528	\$ 646,270
Accrued wages and benefits	519,461	495,021
Deferred revenue	4,905,755	4,673,524
Current portion of long-term obligations	1,060,382	981,925
	<u>6,925,126</u>	<u>6,796,740</u>
Amounts payable from restricted assets		
Accounts payable	655,647	161,832
Accrued interest payable	131,286	166,423
	<u>786,933</u>	<u>328,255</u>
Long-term obligations, net of current portion		
Bonds payable	30,551,837	31,572,382
Obligation due to City of Flint	1,336,000	1,336,000
Other	-	5,382
	<u>31,887,837</u>	<u>32,913,764</u>
Total liabilities	<u>39,599,896</u>	<u>40,038,759</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	96,202,091	89,627,239
Restricted for bond reserve	2,146,180	2,115,121
Unrestricted	10,224,103	9,331,974
	<u>108,572,374</u>	<u>101,074,334</u>
Total liabilities and net assets	<u>\$ 148,172,270</u>	<u>\$ 141,113,093</u>

See Accompanying Notes to Financial Statements

Bishop International Airport Authority
Statements of Revenues, Expenses and
Changes In Net Assets
Years Ended December 31, 2004 and 2003

	2004	2003
Operating revenues		
Property taxes	\$ 4,458,451	\$ 4,551,715
Parking lot fees	4,039,171	3,356,440
Rental of facilities	2,204,465	1,934,584
Landing fees	591,821	506,362
State distribution of single business tax	90,570	109,868
Fuel flowage fees	21,361	15,892
TSA reimbursement	122,744	173,307
Other	196,329	66,796
Total operating revenue	<u>11,724,912</u>	<u>10,714,964</u>
Operating expenses		
Salaries, wages and fringe benefits	2,937,073	2,703,885
Marketing/public relations	787,430	763,035
Parking service	825,964	709,601
Contractual services	648,072	608,607
Utilities	600,310	508,445
Repairs and maintenance	232,126	219,142
Supplies	191,562	191,964
Insurance	231,174	211,864
Other	33,781	32,958
Total operating expenses	<u>6,487,492</u>	<u>5,949,501</u>
Operating income before depreciation	5,237,420	4,765,463
Depreciation	<u>2,073,250</u>	<u>2,003,505</u>
Operating income	<u>3,164,170</u>	<u>2,761,958</u>
Nonoperating revenues and expenses		
Passenger facility charges	2,591,996	2,210,902
Investment income	292,976	199,591
Interest expense	(1,400,643)	(1,301,511)
Amortization of bond issuance costs	(29,568)	(14,925)
Total nonoperating revenues and expenses	<u>1,454,761</u>	<u>1,094,057</u>
Income before capital grants	4,618,931	3,856,015
Capital grants		
State	147,095	202,439
Federal	2,732,014	3,511,587
Total capital grants	<u>2,879,109</u>	<u>3,714,026</u>
Net assets		
Increase in net assets	7,498,040	7,570,041
Total net assets, beginning of year	<u>101,074,334</u>	<u>93,504,293</u>
Total net assets, end of year	<u>\$ 108,572,374</u>	<u>\$ 101,074,334</u>

See Accompanying Notes to Financial Statements

Bishop International Airport Authority
Statements of Cash Flows
Years Ended December 31, 2004 and 2003

	2004	2003
Cash Flows From Operating Activities		
Cash received from providing services	\$ 11,842,061	\$ 10,625,332
Cash paid to suppliers	(3,817,640)	(3,472,258)
Cash paid to employees	(2,912,633)	(2,673,991)
Net cash provided by operating activities	<u>5,111,788</u>	<u>4,479,083</u>
Cash Flows from Capital and Related Financing Activities		
Passenger facility charges	2,591,996	2,110,755
Net proceeds from bonds issued	-	8,754,774
Principal repayments on outstanding bonds	(965,000)	(700,000)
Acquisition of property and equipment	(9,708,807)	(5,001,998)
Proceeds from sale of fixed assets	88,898	17,561
Repayment of GM tax settlements	(5,382)	(5,382)
Interest on long-term obligations	(1,436,471)	(1,240,984)
Net (increase) decrease in deposits	<u>78,057</u>	<u>(43,794)</u>
Net cash provided (used) by capital and related financing activities	<u>(9,356,709)</u>	<u>3,890,932</u>
Net Cash Flows from Investing Activities		
Purchase of investments	(40,363,288)	(46,644,629)
Sale or maturity of investments	49,180,754	39,218,704
Investment income	243,144	199,591
Net cash provided (used) by investing activities	<u>9,060,610</u>	<u>(7,226,334)</u>
Net increase in cash and cash equivalents	<u>4,815,689</u>	<u>1,143,681</u>
Cash and cash equivalents at beginning of year	<u>7,769,462</u>	<u>6,625,781</u>
Cash and cash equivalents at end of year	<u>\$ 12,585,151</u>	<u>\$ 7,769,462</u>
Non-Cash Transactions		
Acquisitions of property and equipment from capital grants	<u>\$ 2,879,109</u>	<u>\$ 3,714,026</u>
Reconciliation of Operating Income to Net cash Provided by Operating Activities		
Operating income	\$ 3,164,170	\$ 2,761,958
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	2,073,250	2,003,505
Change in assets		
Property taxes receivable	(88,144)	(240,698)
Due to and from other governmental units	11,114	3,111
Accounts receivable	(38,052)	(42,675)
Prepaid expenses	(60,479)	(5,183)
Change in liabilities		
Accounts and contracts payable	(206,742)	(221,459)
Accrued wages and benefits	24,440	29,894
Deferred revenue	232,231	190,630
Net cash provided by operating activities	<u>\$ 5,111,788</u>	<u>\$ 4,479,083</u>

See Accompanying Notes to Financial Statements

Bishop International Airport Authority
Notes to Financial Statements
December 31, 2004

NOTE 1 - Summary of Significant Accounting Policies

Bishop International Airport Authority ("Authority") was established under state statute on August 10, 1987 by resolution of the legislative bodies of the City of Flint ("City") and County of Genesee ("County"). The Authority was established to operate the Bishop International Airport ("Airport"). Prior to May 8, 1988, the Airport was a component unit of the City and the Airport financial statements were incorporated within the City's comprehensive annual financial report. Effective May 9, 1988, the operations of the Airport were transferred and leased to the Authority for a term of 99 years (\$ 1.00 per year). As described in Note 2, the City transferred to the Authority the assets (principally property and equipment), net of certain liabilities assumed by the Authority.

Basis of Accounting

The financial statements of the Authority are prepared using the accrual basis of accounting; revenues are recorded when earned and expenses are recorded as incurred. The Authority has elected, under GASB Statement Number 20, to apply all Financial Accounting Standards Board (FASB) statements issued after November 30, 1989 (unless they conflict with or contradict GASB pronouncements).

Revenues from property taxes, airlines, concessions, and parking are reported as operating revenues. Transactions which are capital, financing or investing related are reported as non-operating. All expenses related to operating the Authority are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

The Authority's net assets are reported in three parts (1) invested in capital assets, net of related debt, (2) restricted net assets, and (3) unrestricted net assets. The Authority first utilizes restricted resources to finance qualifying activities.

Cash and Cash Equivalents

The Authority considers deposits in money market accounts and all highly liquid investments with a maturity of ninety days or less when purchased to be cash equivalents.

Investments

Investments are carried at fair market value based on quoted market prices.

Property and Equipment

Property and equipment is stated at cost, with the exception of the property transferred to the Authority from the City, which is stated at the fair market value at the date of transfer. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (from the date placed in service or, if applicable, transfer date) as follows:

Buildings	25 years
Equipment	5 to 20 years

Expenditures for property and equipment and for major renewal and betterments that extend the useful life of the assets are capitalized; routine maintenance and repairs are charged to expense as incurred. At the time fixed assets are sold, retired or disposed of, the costs of such

Bishop International Airport Authority
Notes to Financial Statements
December 31, 2004

assets and related accumulated depreciation are removed from the accounts and any gain or loss is then reflected in the results of operations.

Deferred Revenues

Deferred revenues represent the property taxes levied as of December 1, 2004 and 2003, respectively, and are recorded as property taxes receivable at December 31. These property taxes are levied for the operations of the succeeding calendar year and, therefore, have been deferred.

Sick and Vacation Policy

Employees accrue vacation leave at various rates depending on length of service. Accrual rates range from 40 hours per year for those with less than two years of service to 166 hours per year for those with more than nineteen years of service. The maximum number of hours that can be accrued range from 100 to 290 hours depending on length of service. Upon termination of employment from the Authority, the employee shall be compensated for their accrued leave at their current rate of pay.

Sick leave benefits accrue at the rate of 104 hours per year for full-time employees. Sick leave accrues from the date of employment to a maximum of 720 hours.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain balances in the prior year financial statements have been restated for comparative purposes to conform with the presentation in the current year financial statements.

NOTE 2 - Transfer of Assets and Liabilities from the City

In connection with the lease agreement between the Authority and the City, the City agreed to transfer certain assets of Bishop International Airport to the Authority and the Authority agreed to assume certain liabilities that are summarized as follows:

Property and equipment (at fair market value)	\$ 21,443,900
Cash and other assets	255,813
Note payable assumed by the Authority	(1,215,400)
Long-term obligations owing to the City (see Note 7)	(1,205,000)
Other	<u>(11,757)</u>
Net assets transferred	<u><u>\$ 19,267,556</u></u>

Bishop International Airport Authority
Notes to Financial Statements
December 31, 2004

During 1990, the City and the Authority finalized the negotiations as to the assets to be transferred under the lease agreement and the liabilities to be assumed by the Authority without any material impact to the amounts transferred.

The Authority and the City have agreed to share the responsibility for known and unknown contingent liabilities arising prior to the Authority's operation of the Airport in accordance with a formula arrangement included in the lease agreement. Management believes that there is no significant exposure of loss to the Authority under the terms of the lease agreement that would materially affect the financial statements.

NOTE 3 - Deposits and Investments

The Authority's investment policies are governed by state statutes. Permissible investments include obligations of the U. S. Treasury and agencies (either individually or in pooled funds), domestic certificates of deposit, commercial paper with prescribed ratings and repurchase agreements.

At year end, the Authority's deposits and investments, unrestricted and restricted, were reported in the financial statements in the following categories:

	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 12,585,151	\$ 7,769,462
Investments	<u>1,854,209</u>	<u>10,964,652</u>
	<u>\$ 14,439,360</u>	<u>\$ 18,734,114</u>

The breakdown between deposits and investments for the Authority is as follows:

	<u>2004</u>	<u>2003</u>
Deposits (checking and savings accounts, certificates of deposit)	\$ 4,817,236	\$ 6,080,570
Investments in securities, mutual funds, and similar vehicles	9,621,762	12,653,182
Petty cash and cash on hand	<u>362</u>	<u>362</u>
Total	<u>\$ 14,439,360</u>	<u>\$ 18,734,114</u>

The deposits of the Authority were reflected in the accounts of financial institutions at \$ 5,753,978 of which \$ 200,000 is covered by federal depository insurance. The remaining amount, \$ 5,553,978 is uninsured and uncollateralized.

Bishop International Airport Authority
Notes to Financial Statements
December 31, 2004

Investments are categorized into these three categories of custodial credit risk:

Category 1 – Insured or registered, or securities held by the Authority or its agent in the Authority's name;

Category 2 – Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name; and

Category 3 – Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Authority's name.

At year end, the Authority's investment balances were categorized as follows:

	Category			Carrying Amount
	1	2	3	
U.S. Government securities	\$ 750,141	\$ 457,752		\$ 1,207,893
U.S. Government agency securities		1,891,968		1,891,968
Commercial Paper		2,500,000		2,500,000
	<u>\$ 750,141</u>	<u>\$ 4,849,720</u>	<u>\$ -</u>	
Investments not subject to categorization:				
Money market funds				<u>4,021,901</u>
Total investments				<u>\$ 9,621,762</u>

As of December 31, 2003, the Authority's investment balances were categorized as follows:

	Category			Carrying Amount
	1	2	3	
U.S. Government securities	\$ 1,000,000	\$ 2,708,532		\$ 3,708,532
U.S. Government agency securities		6,988,611		6,988,611
Commercial Paper		600,000		600,000
	<u>\$ 1,000,000</u>	<u>\$ 10,297,143</u>	<u>\$ -</u>	
Investments not subject to categorization:				
Money market funds				<u>1,356,039</u>
Total investments				<u>\$ 12,653,182</u>

Investments not subject to categorization are not evidenced by securities that exist in physical or book entry form.

Bishop International Airport Authority
Notes to Financial Statements
December 31, 2004

NOTE 4 - Property Taxes

In connection with the State statute establishing the Authority, the Authority levies ad valorem property taxes for the operation of the Airport. The property tax is levied each December 1 on the taxable value of property located in the County as of the preceding December 31 (lien date). Taxable values are established annually by cities and townships and are equalized by the County and State at 50% of estimated current market value. Real and personal property in the County for the December 1, 2004 levy (2005 revenue) was equalized at \$ 10.108 billion. The 2004 operating tax rate was .4849 mills (limited to .5 mills).

Taxes collected by the cities and townships and remitted to the Authority are recorded as receivable on the levy date. Property taxes become delinquent on March 1 of the year following the levy, at which time the County remits the delinquent portion of the real property taxes to the Authority. Delinquent personal property taxes are collected by the various municipalities and are remitted to the Authority periodically.

NOTE 5 - Capital Assets

Capital asset activity for the Authority for the year ended December 31, 2004 was as follows:

	Balance December 31, 2003	Additions	Disposal and Adjustments	Balance December 31, 2004
Assets not being depreciated:				
Land	\$ 16,883,864	\$ 2,822,216		\$ 19,706,080
Land improvements	55,130,226	9,923,187		65,053,413
Construction in progress	15,046,765	12,960,389	\$ 13,283,223	14,723,931
Other capital assets:				
Buildings	40,548,326	550,000		41,098,326
Equipment	5,034,511	385,982	365,718	5,054,775
Subtotal	132,643,692	26,641,774	13,648,941	145,636,525
Accumulated depreciation:				
Buildings	12,239,468	1,725,947		13,965,415
Equipment	3,382,494	347,303	336,844	3,392,953
Subtotal	15,621,962	2,073,250	336,844	17,358,368
Net capital assets	<u>\$ 117,021,730</u>	<u>\$ 24,568,524</u>	<u>\$ 13,312,097</u>	<u>\$ 128,278,157</u>

The construction in progress of \$ 14,723,931 relates to various projects being funded by federal, state and local grants as well as bond proceeds. All federal and state funds are administered by the Michigan Department of Transportation.

Depreciation expense for the years ended December 31, 2004 and 2003 was \$ 2,073,250 and \$ 2,003,505, respectively.

Bishop International Airport Authority
Notes to Financial Statements
December 31, 2004

NOTE 6 - Long-Term Obligations

The long-term obligation activity of the Authority can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds					
Series 1999-A	\$ 10,555,000			\$ 10,555,000	
Series 1999-B	13,865,000		\$ 735,000	13,130,000	\$ 770,000
Series 2003-A	9,150,000		230,000	8,920,000	285,000
Unamortized bond costs	(1,021,075)		(22,912)	(998,163)	
City of Flint	1,336,000			1,336,000	
General Motors property tax settlement	10,764		5,382	5,382	5,382
Total	<u>\$ 33,895,689</u>	<u>\$ -</u>	<u>\$ 947,470</u>	<u>\$ 32,948,219</u>	<u>\$ 1,060,382</u>

The annual requirements to pay principal and interest (excluding amortization of costs of issuance and original issue discount or premium) on the long-term obligations at December 31, 2004 are summarized as follows:

Year Ended December 31,	Principal	Interest	Total
2005	\$ 1,060,382	\$ 1,575,428	\$ 2,635,810
2006	1,105,000	1,528,378	2,633,378
2007	1,165,000	1,479,128	2,644,128
2008	1,220,000	1,427,278	2,647,278
2009	1,285,000	1,372,878	2,657,878
2010-2014	8,816,000	5,903,202	14,719,202
2015-2019	9,640,000	3,876,603	13,516,603
2020-2023	<u>9,655,000</u>	<u>1,229,516</u>	<u>10,884,516</u>
Total debt payments	<u>\$ 33,946,382</u>	<u>\$ 18,392,411</u>	<u>\$ 52,338,793</u>

Bishop International Airport Authority
Notes to Financial Statements
December 31, 2004

In April 1999, The Authority issued the following bond issues:

- Series 1999-A Limited Tax General Obligation Refunding Bonds - These bonds, in the amount of \$ 10,555,000, were issued for the purpose of refunding all of the Authority's outstanding 1991 series and 1992 series of bonds. Interest is payable semi-annually on June 1 and December 1 each year at rates ranging from 5.100% to 5.150%. Final payment is due in December 2023. There was \$ 148,122 of issuance costs and \$ 234,703 of original issue discounts when the bonds were issued of which \$ 148,122 and \$ 234,703, respectively, remain unamortized at December 31, 2004.
- Series 1999-B Airport Revenue Bonds - These bonds, in the amount of \$ 14,500,000, were issued for the purpose of acquiring and improving land for use as airport parking or other airport use and expanding and equipping the existing terminal building. Interest is payable semi-annually on June 1 and December 1 each year at rates ranging from 4.750% to 5.250%. Final payment is due in December 2017. There was \$ 316,687 of issuance costs and \$ 58,996 of original issue premium when the bonds were issued of which \$ 286,765 and \$ 53,422, respectively, remain unamortized at December 31, 2004.

During 2003, the Authority issued Series 2003-A Airport Revenue Bonds:

- These bonds, in the amount of \$ 9,150,000, were issued for the purpose of paying, and reimbursing the Authority for, part of the cost of improving, renovating, enlarging and extending the Bishop International Airport Authority and paying the cost of issuing the bonds. Interest is payable semi-annually on June 1 and December 1 each year at rates ranging from 3.000% to 5.000%. Final payment is due December 2023. There was \$ 300,366 of issuance costs and \$ 91,478 of original issue discount when the bonds were issued of which \$ 292,816 and \$ 89,179, respectively, remain unamortized at December 31, 2004.

During 1990, the City and the Authority finalized the negotiations as to the assets to be transferred under the lease agreement and the liabilities to be assumed by the Authority. In a memorandum of understanding, the City agreed to pay to the Authority \$ 100,000 and waive the three payments of \$ 55,000 a year due to the City in 1991, 1992 and 1993; a total of \$165,000. The Authority agreed to pay \$ 1,336,000 due in the year 2012.

The Authority was charged \$ 48,435 in 1995 for a property tax settlement with General Motors (GM) regarding assessed values of several GM facilities in Genesee County. The provision was reflected as a reduction in property tax revenue in the statement of revenues, expenses and changes in retained earnings. The settlement will be paid over a nine-year period ending in 2005.

Total interest charged to expense for the years ended December 31, 2004 and 2003 was \$ 1,400,643 and \$ 1,301,511, net of the amortization of original issue premiums and discounts of \$ (691) and \$ (3,383), respectively.

Bishop International Airport Authority
Notes to Financial Statements
December 31, 2004

NOTE 7 - Deferred Compensation Plan

The Authority offers all full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The assets of the plan were held in trust as described in IRC Section 457(g) for the exclusive benefit of the participants and their beneficiaries. The custodian thereof for the exclusive benefit of the participants holds the custodial account for the beneficiaries of the Section 457 plan, and the assets may not be diverted to any other use. The Administrators are agents of the employer for purposes of providing direction to the custodian of the custodial account from time to time for the investment of the funds held in the account, transfer of assets to or from the account and all other matters. In accordance with accounting principles generally accepted in the United States of America, plan balances and activities are not reflected in the Authority's financial statements.

NOTE 8 - Pension Plan

Plan Description

The Authority's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The Authority is affiliated with the State of Michigan Municipal Employees Retirement System (MERS), which is an agent, multiple-employer pension plan. The Michigan Employees' Retirement Act of 1984, as amended by Public Act 220 of 1996 of the State of Michigan assigns the authority to establish and amend the provisions of the plans that participate in MERS to the respective employers; for the Authority, that responsibility rests with the Board of Directors. MERS issues a publicly available financial report that may be obtained by writing to State of Michigan Municipal Employees Retirement System, 447 North Canal Road, Lansing, Michigan, 48917 or by calling 1-800-767-6377.

Funding Policy

The Authority members are required to contribute 5% of their annual covered salary. The Authority is required to contribute at an actuarially determined rate; the rate for 2004 was 8.81% of annual covered payroll. The contribution requirements of plan members and the Authority are established and may be amended by the Authority Board of Directors.

Annual Pension Cost

For 2004, the Authority's annual pension cost of \$ 113,539 was equal to the required and actual contributions. The required contribution was determined as part of the December 31, 2002 actuarial valuation using the entry age normal cost funding method. The actuarial assumptions included (a) a rate of return on the investment of present and future assets of 8.00%, (b) projected salary increases of 4.50% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 0.00% to 4.16% per year, depending on age, attributable to seniority/merit, and (d) the assumption that benefits will increase 2.50% per year (annually) after retirement. The actuarial value of MERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. MERS unfunded actuarial accrued liability is being amortized as a level percentage of payroll contributions.

Bishop International Airport Authority
Notes to Financial Statements
December 31, 2004

Three-Year Trend Information

<u>Fiscal Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2002	98,165	95%	5,039
12/31/2003	94,824	101%	-
12/31/2004	102,360	111%	-

Schedule of Funding Progress

<u>Actuarial Valuation Date December 31,</u>	<u>Actuarial Value of Assets</u>	<u>Accrued Liability (UAL)</u>	<u>Unfunded UAL</u>	<u>Funded Ratio</u>	<u>Percentage of Covered Payroll</u>
2001	\$ 1,683,327	\$ 1,820,056	\$ 136,729	92%	12%
2002	1,905,955	2,164,215	258,260	88%	22%
2003	2,200,491	2,412,755	212,264	91%	18%

In addition to the above MERS plan, all Authority management are covered by a noncontributory defined contribution plan. Total pension costs charged to operations in 2004 and 2003 approximated \$ 117,100 and \$ 105,600, respectively. Covered payroll for these individuals approximated \$ 585,800 and \$ 528,000, respectively.

Bishop International Airport Authority
Notes to Financial Statements
December 31, 2004

NOTE 9 - Leases on Lessor's Books

The Authority has entered into contracts with various lessees to carry on related aviation activities. The obligation of the lessees to the Authority for the next 5 years is as follows:

Payments Receivable In	Guaranteed Lease Payment
2005	\$ 705,711
2006	495,608
2007	170,951
2008	95,951
2009	95,951
Total	<u>\$ 1,564,172</u>

Minimum future rentals do not include contingent rentals, which are received as stipulated in the lease agreements and are based on the level of activity of the various lessees. These contingent rentals occur only if the level of activity exceeds certain minimums as designated in the contracts. Contingent rentals amounted to approximately \$ 1,475,000 and \$ 1,207,500 for 2004 and 2003, respectively.

NOTE 10 - Contingencies and Commitments

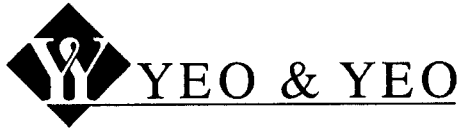
The Authority is the defendant in various lawsuits. In the opinion of counsel, there is insufficient information to determine the outcome or the financial consequences, if any, of the litigation. No liability or reserve has been established for any potential claims.

The Authority has approximately \$ 782,000 and \$ 5,800,000 in unfinished construction contracts at December 31, 2004 and 2003, respectively. The original amount of the contracts was approximately \$ 8,800,000 and \$ 7,800,000, respectively.

NOTE 11 - Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The Authority has purchased commercial insurance for all risk above minimal deductible amounts. In addition, all tenants and users of the Airport are required to have commercial insurance coverage naming the Authority as additional insured. No liability is recorded at December 31, 2004 for outstanding claims or for any potential claims incurred but not reported as of that date.

Additional Information



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Phone (810) 732-3000 / (800) 899-4742
Fax (810) 732-6118

Independent Auditors' Report on Additional Information

Board of Directors
Bishop International Airport Authority

Our report on our audit of the financial statements of Bishop International Airport Authority for the years ended December 31, 2004 and 2003 appear on page 1. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The information contained on the following pages 23 to 28 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Yeo & Yeo, P.C.

Flint, Michigan
January 27, 2005

Bishop International Airport Authority
Summary of Historical Financial Operations
Fiscal Years Ended December 31, 1999 Through 2004

	1999	2000	2001	2002	2003	2004
Operating revenues						
Property taxes	\$ 3,689,362	\$ 3,784,597	\$ 3,921,683	\$ 4,181,699	\$ 4,551,715	\$ 4,458,451
Rental of facilities	1,468,723	1,582,525	1,601,308	1,676,649	1,934,584	2,204,465
Parking lot fees (1)	1,501,336	2,413,255	2,161,866	2,571,958	3,356,440	4,039,171
Landing fees	416,633	408,757	351,345	414,412	506,362	591,821
Other (Single Business Tax, Fuel Flowage, Other)	220,562	218,035	161,873	610,131	365,863	431,004
Total Operating Revenues	7,296,616	8,407,169	8,198,075	9,454,849	10,714,964	11,724,912
Operating expenses						
Salaries, wages, benefits	2,173,286	2,348,812	2,566,051	2,702,463	2,703,885	2,937,073
Depreciation	1,409,680	1,385,450	1,350,736	1,959,392	2,003,505	2,073,250
Marketing/Public Relations	492,445	577,265	538,836	739,753	763,035	787,430
Contractual services (1)	514,558	990,091	1,078,153	1,174,458	1,318,208	1,474,036
Utilities	344,789	413,512	450,976	505,308	508,445	600,310
Repairs & Maintenance	355,922	395,112	383,801	378,472	411,106	423,688
Insurance and Other	140,455	152,473	170,883	199,491	244,822	264,955
Total Operating Expenses	5,431,135	6,262,715	6,539,436	7,659,337	7,953,006	8,560,742
Operating Income	1,865,481	2,144,454	1,658,639	1,795,512	2,761,958	3,164,170
Non operating revenues (expenses)						
Passenger facility charges	949,444	970,512	968,362	1,630,018	2,210,902	2,591,996
Interest revenue	745,974	650,592	511,537	253,007	199,591	292,976
Interest expense	(997,281)	(1,217,754)	(1,334,059)	(1,290,823)	(1,301,511)	(1,400,643)
Other				10,820	14,925	(29,568)
Capital Grants (2)			11,233,433	2,718,388	3,714,026	2,879,109
Net Income	\$ 2,563,618	\$ 2,547,804	\$ 13,037,912	\$ 5,095,282	\$ 7,570,041	\$ 7,498,040

(1) - Beginning in September 1999, the Authority collects all revenues and pays all expenses of the operation of the parking facilities.

(2) - As of January 1, 2001, the Authority adopted the provisions of GASB 33 which called for the recognition of capital grants as nonoperating revenues rather than as increases in contributed capital as in years prior to 2001.

Bishop International Airport Authority

Taxable Value

Fiscal Years Ended or Ending December 31, 2001 through 2005

Assessed Value as of December 31	Year of State Equalization and Tax Levy	Authority's Fiscal Years Ended or Ending December 31	Ad Valorem Taxable Value	Percent Increase Over Prior Year
1999	2000	2001	\$ 8,157,573,739	4.46%
2000	2001	2002	8,593,092,403	5.34%
2001	2002	2003	9,166,011,516	6.67%
2002	2003	2004	9,605,388,204	4.79%
2003	2004	2005	10,108,083,643	5.23%

Per Capita Taxable Value for the fiscal year ending December 31, 2004

\$ 22,023.58

Maximum Property Tax Rate

Fiscal Years Ending December 31, 2001 Through 2005

Authority's Fiscal Years Ended or Ending December 31	Millage Classification	Millage Authorized	Applicable Millage Reduction Fraction	Maximum Allowable Millage
2001	Operating	0.5000	0.9820	0.4910
2002	Operating	0.5000	0.9812	0.4906
2003	Operating	0.5000	0.9772	0.4886
2004	Operating	0.5000	0.9722	0.4861
2005	Operating	0.5000	0.9698	0.4849

Bishop International Airport Authority

Authority Debt

December 31, 2004

The following table reflects a breakdown of the Authority's direct and overlapping debt as of December 31, 2004. The Authority's ability to levy its ad valorem property tax is subject to applicable charter, statutory and constitutional limitations.

Authority Direct Debt
 Limited Tax General Obligation Refunding Bonds, Series 1999-A
 Airport Revenue Bonds, Series 1999-B
 Airport Revenue Bonds, Series 2003-A
Total Direct Debt

\$ 10,555,000
 13,130,000
 8,920,000
\$ 32,605,000

Per Capita Net Authority Direct Debt (2)
Percent of Net Direct Debt to SEV (3)

\$ 74.76
 0.36%

Underlying Debt of the Authority (1)

Cities
 Townships
 Villages
 School Districts
 Community Colleges
 Intermediate School District
Total Underlying Debt

**Authority Share of Net
 Tax Supported Debt**
\$ 57,066,072
 27,564,986
 615,000
 366,591,155
 61,543,800
 3,200
\$ 513,384,213

Per Capita Net Underlying Debt (2)
Percent of Net Underlying Debt to SEV (3)

\$ 1,177.11
 5.60%

Total Net Direct and Underlying Debt

\$ 545,989,213

Per Capita Net Direct and Underlying Debt (2)
Percent of Net Direct and Underlying Debt to SEV (3)

\$ 1,251.86
 5.96%

- (1) Underlying debt is the debt of the municipal entities located in the County.
 (2) Based on current population estimate of 436,141
 (3) Based on SEV of \$ 9,605,388,204, which is the Authority's SEV for the fiscal year ended December 31, 2004.

Bishop International Airport Authority
Recast Historical Pro-Forma Debt Service Coverage
Fiscal Years Ended December 31, 1999 Through 2004

	1999	2000	2001	2002	2003	2004
<u>Series 1999-A Bonds</u>						
Property Taxes	\$ 3,689,362	\$ 3,784,597	\$ 3,921,683	\$ 4,181,699	\$ 4,551,715	\$ 4,458,451
Debt Service on the Series 1999-A Bonds	532,075	532,075	532,075	532,075	532,075	532,075
Series 1999-A Bonds Debt Service Coverage	6.93	7.11	7.37	7.86	8.55	8.38
 <u>Revenue Bonds</u>						
Net Income Available for the Revenue Bonds						
Debt Service	\$ 4,438,504	\$ 4,618,351	\$ 3,957,199	\$ 5,105,854	\$ 6,643,881	\$ 7,590,317
Debt Service on Revenue Bonds	1,437,044	802,044	1,437,043	1,438,669	1,438,668	2,081,818
Revenue Bonds Debt Service Coverage	3.09	5.76	2.75	3.55	4.62	3.65
 <u>Combined Bonds</u>						
Net Income Available for the Revenue Bonds						
Debt Service	\$ 4,438,504	\$ 4,618,351	\$ 3,957,199	\$ 5,105,854	\$ 6,643,881	\$ 7,590,317
Plus: Debt Service on the Series 1999-A Bonds	532,075	532,075	532,075	532,075	532,075	532,075
Combined Amounts Available for Debt Service	4,970,579	5,150,426	4,489,274	5,637,929	7,175,956	8,122,392
Combined Debt Service Requirements	1,969,119	1,334,119	1,969,118	1,970,744	1,970,743	2,613,893
Combined Debt Service Coverage	2.52	3.86	2.28	2.86	3.64	3.11

Bishop International Airport Authority

Airlines Providing Service to the Airport

Current Passenger Carriers

<u>Carrier</u>	<u>Cities Served</u>	2004 Enplaned Passengers	Percentage of Total
Northwest Airlines/Mesaba	Detroit, Minneapolis, Tampa, Orlando, Ft. Lauderdale	257,368	42.80%
AirTran Airlines	Atlanta, Orlando, Ft. Lauderdale	174,670	29.05%
Comair, Inc./Delta Connection	Cincinnati, Atlanta	82,918	13.79%
Chicago Express / ATA	Chicago (Midway)	59,602	9.91%
Charter Services	Las Vegas, Orlando, Cancun, Punta Cana	7,780	1.29%
Midwest Connect	Milwaukee	10,529	1.75%
Continental	Cleveland	8,502	1.41%
		<u>601,369</u>	<u>100.00%</u>

Historical Passenger Enplanements by Carrier

<u>Carrier</u>	1999	2000	2001	2002	2003	2004
Northwest Airlines/Mesaba	172,195	164,549	161,229	182,410	179,230	257,368
AirTran Airlines	74,106	87,038	99,993	120,794	168,311	174,670
Comair, Inc./Delta Connection	-	-	-	30,496	58,413	82,918
Chicago Express / ATA	-	-	-	19,338	51,140	59,602
Charter Services	29,234	36,289	17,190	4,144	10,850	7,780
Midwest Connect	11,873	10,449	11,941	9,794	9,531	10,529
Continental Express	11,932	15,109	4,226	-	4,800	8,502
USAIR Express	25,355	22,547	9,420	-	-	-
Kiwi Airlines	73	-	-	-	-	-
	<u>324,768</u>	<u>335,981</u>	<u>303,999</u>	<u>366,976</u>	<u>482,275</u>	<u>601,369</u>
Annual Percentage Change	<u>18.81%</u>	<u>3.45%</u>	<u>-9.52%</u>	<u>20.72%</u>	<u>31.42%</u>	<u>24.69%</u>

Bishop International Airport Authority **Airlines Providing Service to the Airport**

Air Cargo and Freight Enplaned in pounds

Carrier	1999	2000	2001	2002	2003	2004
FedEx	8,898,472	9,769,923	9,730,242	9,912,051	9,897,518	10,999,331
Airborne	1,664,092	1,460,997	1,323,299	1,528,662	1,439,100	1,444,569
CSA Air, Inc.	833,944	607,505	517,267	452,295	478,816	475,470
GVA (various)	2,138,557	1,318,158	333,270	432,196	267,462	445,082
Northwest (Mesaba)	42,443	28,673	42,788	20,977	17,374	4,270
Midwest Connect	25,755	25,301	22,466	22,212	16,188	15,838
Mid-Atlantic	-	7,367	180,934	38,076	6,158	-
Comair, Inc./Delta Connection	-	-	-	2,646	1,076	-
Emery	4,311,620	4,243,573	512,431	-	-	-
USAIR	1,507	2,535	542	-	-	-
Continental Express	1,326	1,116	151	-	-	-
Airtran	-	386	70	-	-	-
Mountain Air Cargo	6,682	2,450	-	-	-	-
	<u>17,924,398</u>	<u>17,467,984</u>	<u>12,663,460</u>	<u>12,409,115</u>	<u>12,123,692</u>	<u>13,384,560</u>